



Health Services
LOS ANGELES COUNTY

May 29, 2007

**Los Angeles County
Board of Supervisors**

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Robert G. Splawn, MD
Senior Medical Director

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through leadership,
service and education.*



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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL FOR EQUIPMENT MAINTENANCE AND
PATIENT CARE SERVICES AMENDMENTS WITH
VARIOUS SERVICE PROVIDERS
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement No. H-700743, substantially similar to Exhibit I, with Cardiovascular Plus, Inc. to provide autotransfusion/blood recovery services at Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor) and Olive View-UCLA Medical Center (Olive View), effective July 1, 2007 through June 30, 2010, with a total annual cost of \$20,000, and total three-year cost of \$60,000, and increase the total maximum obligation by no more than 40% above the Fiscal Year (FY) 2007-08 maximum obligation for additional blood recovery services for a potential annual increase of \$8,000, and total three-year increase of \$24,000.
2. Authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement No. H-700847, substantially similar to Exhibit II, with J. A. Neurodiagnostics Medical Services, Inc. for intra-operative surgical monitoring and clinical testing services at MLK-Harbor, to increase the maximum obligation for FY 2006-07 by \$42,180 for a revised total of \$75,000, effective date of Board approval; extend the Agreement effective July 1, 2007 through June 30, 2010, with a total annual cost of \$66,000, and total three-year cost of \$198,000; and increase the total maximum obligation by no more than 40% above the FY 2007-08 maximum obligation for additional monitoring and testing services for a potential annual increase of \$26,400, and total three-year increase of \$79,200.
3. Authorize the Director of Health Services, or his designee, to execute Amendment No. 4 to Agreement No. H-210633, substantially similar to Exhibit III, with Lintek Electronic Services, Inc. (Lintek), to provide preventive maintenance and repair services for linear accelerators at LAC+USC Medical Center (LAC+USC) and Harbor-UCLA Medical Center (Harbor), effective July 1, 2007 through June 30, 2010, with a total annual cost of \$60,000, and total three-year cost of \$180,000, and increase the total maximum obligation by no more than 40% above the FY 2007-08 maximum obligation for additional equipment maintenance and repair services for a potential annual increase of \$24,000, and total three-year increase of \$72,000.

4. Authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement No. H-700846, substantially similar to Exhibit IV, with National Radiologic Physics for radiology equipment evaluation and radiation detection services at Olive View, effective July 1, 2007 through June 30, 2009, with a total annual cost of \$13,605, and total two-year cost of \$27,210, and increase the total maximum obligation by no more than 40% above the FY 2007-08 maximum obligation for additional equipment and repair services for a potential annual increase of \$5,442 and total two-year increase of \$10,884.
5. Authorize the Director of Health Services, or his designee, to execute Amendment No. 3 to Agreement No. H-700834, substantially similar to Exhibit V, with Medquist Transcriptions, Ltd. (Medquist) for maintenance and repair services for medical transcription equipment at LAC+USC, MLK-Harbor, and Rancho Los Amigos National Rehabilitation Center (Rancho), effective July 1, 2007 through June 30, 2008, with a total annual cost of \$127,420, increase the total maximum obligation by no more than 40% above the FY 2007-08 maximum obligation for additional equipment and repair services for a potential annual increase of \$50,968, and delegate authority to terminate the Amendment, with a 30-day prior written notice, once a new Agreement for medical transcription services resulting from a Request for Proposals, currently scheduled for release within the next three months, is fully executed.
6. Authorize the Director of Health Services, or his designee, to terminate any equipment agreements solely utilized by LAC+USC and amend any equipment agreements which include equipment for LAC+USC as necessary to accommodate LAC+USC's move to the Replacement Facility, with a 30-day prior written notice.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

Board approval of these actions will enable the Department of Health Services (DHS) to extend the term of these Agreements for the continued provision of patient care and equipment maintenance and repair services.

Delegated authority to terminate and amend Agreements which include LAC+USC equipment will expedite the process of adjusting these Agreements to accommodate LAC+USC's move to the Replacement Facility.

FISCAL IMPACT/FINANCING:

The proposed annual total maximum obligation for these amendments is \$401,835, of which \$287,025 is for the continuation of services and \$114,800 is for potential increases under delegated authority. Funding is included in the FY 2006-07 Final Budget for MLK-Harbor's Neurodiagnostics increase. The proposed annual maximum obligations for each DHS facility by Amendment are identified on Attachment B. Any increase implemented under delegated authority will be funded within existing resources. Funding is included in the FY 2007-08 Proposed Budget and will be requested in future fiscal years, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The proposed Amendments will provide preventive maintenance and repair services for medical equipment, and other highly specialized and critically needed hospital services at various DHS facilities. The medical equipment shall be maintained in accordance with the manufacturer's performance standards and in compliance with all accrediting and reviewing agencies' requirements including The Joint Commission. All contractors, except Medquist, have agreed not to increase their rates.

Cardiovascular Plus, Inc.:

On June 29, 2004, your Board approved an Agreement with Cardiovascular Plus, Inc. to provide blood recovery services to patients on a scheduled or emergency basis at MLK-Harbor and Olive View as a result of a conversion from a Purchase Order. On May 2, 2006, your Board approved an Amendment to continue these critical services, which include the provision of cell saver equipment and technicians trained in the operation of the equipment for the processing and collection of autologous blood. Blood lost by a patient undergoing a scheduled or emergency surgical procedure is recovered, processed and reinfused into the patient.

J. A. Neurodiagnostics Medical Services:

On June 29, 2004, your Board approved an Agreement with J. A. Neurodiagnostics for the provision of surgical intra-operative monitoring and clinical testing services to patients undergoing surgical procedures as a result of a conversion from a Purchase Order. On May 2, 2006, your Board approved an Amendment with J. A. Neurodiagnostics to provide trained technicians to monitor visual, brainstem auditory and somatosensory evoked responses during the course of the surgical procedures. At that time, MLK-Harbor requested the contract amount be reduced from \$90,000 to \$32,820 in anticipation of service reductions. However, the demand for these services did not decrease as expected. MLK-Harbor estimates they will need a total of \$75,000 for the level of services being provided.

Lintek Electronic Services:

On June 29, 1999, your Board approved an Agreement with Lintek Electronic Services to provide maintenance and repair services for linear accelerators, highly specialized equipment that is utilized for radiation treatment for patients with cancer or radiosurgery within the brain. On June 14, 2005, your Board approved an Amendment to continue the maintenance and repair services. Harbor and LAC+USC each own one accelerator.

National Radiologic Physics:

On June 29, 2004, your Board approved an Agreement with National Radiologic Physics for providing radiation detection and calibration services for radiology equipment at Olive View. On May 2, 2006, your Board approved an Amendment to continue this service that involves a licensed physicist who conducts physics evaluation inspections, radiographic tube evaluation and radiation safety analysis for compliance with mandated State and federal regulations. The Contractor also provides service reports, survey readings, and certification of the equipment to meet all licensing, accrediting and regulatory agencies requirements.

Medquist Transcriptions, Ltd.:

On June 29, 2004, your Board approved an Agreement with Lanier Healthcare, LLC. to provide maintenance and repair services for medical transcription equipment at various DHS facilities. On May 16, 2006, your Board approved an Amendment, effective through June 30, 2007 for Lanier to assign and delegate its rights and responsibilities to Medquist Transcriptions, Ltd.

Medquist has requested a rate increase for this Amendment because the last rate increase was in 2005 and was based on Lanier's rates, and Medquist has its own rate structure for its contract services. Medquist declines to sign a new Amendment without the requested rate increase of 4% for the extension period.

DHS plans to issue a Request for Proposals (RFP) for medical transcription services including the transcription equipment within the next three months. To avoid any service interruption, DHS recommends that your Board approve the contract extension with Medquist, and authorize the DHS Director to terminate the contract with a 30-day prior written notice. The Medquist agreement will be terminated once the RFP process is concluded and a new agreement is recommended for your Board's approval.

Delegated Authority - Termination/Amendment of Contracts

The Department is requesting delegated authority to expedite any necessary changes in equipment maintenance contracts for LAC+USC's equipment inventory when it moves to the new facility. Some of LAC+USC's older equipment will not be moved to the new hospital. Because the move will occur on a phased-in basis, the Department needs the flexibility to amend or terminate contracts consistent with the various phase-in schedules. Although all current Agreements have a termination clause to allow County to terminate with or without cause, delegated authority to the Director will expedite the process of terminating or amending these Agreements as necessary.

The Department has determined that these are not Proposition A agreements because the services are provided on a part-time and intermittent basis, and therefore, provisions of the County's Living Wage Program do not apply.

Attachments A and B provide additional information.

County Counsel has approved Exhibits I, II, III, IV, and V as to form.

CONTRACTING PROCESS:

Lintek Electronic Services is authorized by the OEM to provide maintenance and repair services.

The Agreement with Medquist will be terminated once the new Agreement(s) for medical transcription equipment services is executed as a result of the RFP.

The Department indicated in previous Board actions on June 2, 2005 and April 20, 2006 that it would determine an appropriate contracting process that is also cost-effective and efficient for the remaining

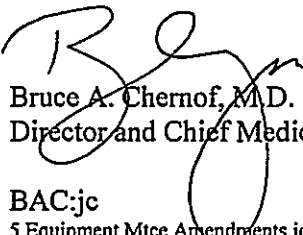
agreements. Cardiovascular Plus, Inc., J. A. Neurodiagnostics Medical Services, and National Radiologic Physics were originally selected through Internal Services Department's bid process and Purchase Orders were issued. They all provide highly specialized and critical services. In addition, the costs for each contract are relatively small. Further, all four contractors have agreed not to increase their rates for the terms of their respective contract. Accordingly, the Department has determined that it would not be cost effective to conduct a competitive bid for these services.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of these actions will allow DHS to ensure necessary maintenance and repair services for medical equipment, and other highly specialized/critically needed hospital services are provided without interruption at County health facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,


Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:jc
5 Equipment Mice Amendments.jchu.wpd

Attachments (7)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENTS

1. TYPE OF SERVICES:

Equipment maintenance and repair services.

2. AGENCY ADDRESSES AND CONTACT PERSONS:

Edwin L. Dagostino, President/CEO
Cardiovascular Plus, Inc.
18700 Newman Avenue
Riverside, CA 92508
(909) 789-4356

Jose Arvizu, President
J. A. Neurodiagnostics Medical Services
468 W. 4th Street, Suite 308
San Pedro, CA 90731
(310) 890-3787

Estella M. Hibbard, Vice President
Lintek Electronic Services
18895 Deodar Street
Fountain Valley, CA 92708
(714) 963-4775

Joe Toliver, Sr. Administrative Manager
Medquist Transcriptions, Ltd.
1000 Bishops Gate Blvd., Suite 300
Mount Laurel, NJ 08054
(858) 775-7464

Edward Watson
National Radiologic Physics
2500 E. Foothill Blvd., Suite 208
Pasadena, CA 91107
(626) 364-4013

3. TERM:

July 1, 2007 through June 30, 2008, 2009 or 2010, depending on the agreement.

4. FINANCIAL INFORMATION:

The proposed annual total maximum obligation for these amendments is \$401,835, of which \$287,025 is for the continuation of services and \$114,800 is for potential increases under delegated authority. Any increase implemented under delegated authority will be funded within existing resources. Funding is included in the FY 2007-08 Proposed Budget and will be requested in future fiscal years, as necessary.

5. GEOGRAPHIC AREA SERVED:

All Districts.

6. ACCOUNTABILITY FOR PROGRAM MONITORING AND EVALUATION:

Facility Administrator.

7. APPROVALS:

Harbor-UCLA Medical Center:

Miguel Ortiz-Marroquin, Interim CEO

LAC+USC Medical Center:

Pete Delgado, CEO

Martin Luther King, Jr.-Harbor Hospital:

Antionette Smith-Epps, CEO

Olive View-UCLA Medical Center:

Gretchen McGinley, Interim CEO

Rancho Los Amigos National Rehabilitation Ctr:

Jorge Orozco, Interim CEO

Contracts and Grants:

Cara O'Neill, Chief

County Counsel (approval as to form):

Andrea E. Ross, Senior Associate

ATTACHMENT B

SERVICE AGREEMENTS

	Annual Services	Reserve Funds	Annual Cost	FY 2007-08 FY 2009-10
Cardiovascular Plus, Inc.				
MLK-Harbor	\$5,000		\$5,000	\$15,000
Olive View	<u>\$15,000</u>		<u>\$15,000</u>	<u>\$45,000</u>
Subtotal:	\$20,000		\$20,000	\$60,000
40% Delegated Authority:			\$8,000	\$24,000
Total:			\$28,000	\$84,000

	FY 2006-07 Cost	Revised FY 2006-07	Annual Cost	FY 2007-08 FY 2009-10
J. A. Neurodiagnostics Medical Services, Inc.				
MLK-Harbor	\$32,820	\$75,000	\$66,000	\$198,000
40% Delegated Authority:	\$13,128	\$30,000	\$26,400	\$79,200
Total:	\$45,948	\$105,000	\$92,400	\$277,200

	Annual Services	Reserve Funds	Annual Cost	FY 2007-08 FY 2009-10
Lintek Electronic Systems				
Harbor	\$30,000		\$30,000	\$90,000
LAC+USC	<u>\$30,000</u>		<u>\$30,000</u>	<u>\$90,000</u>
Subtotal:	\$60,000		\$60,000	\$180,000
40% Delegated Authority:			\$24,000	\$72,000
Total:			\$84,000	\$252,000

	Annual Services	Reserve Funds	Annual Cost	FY 2007-08 FY 2008-09
National Radiologic Physics				
Olive View	\$12,405	\$1,200	\$13,605	\$27,210
40% Delegated Authority:			\$5,442	\$10,884
Total:			\$19,047	\$38,094

ATTACHMENT B

	Annual Services	Reserve Funds	Annual Cost	FY 2007-08
Medquist Transcriptions, Ltd.				
LAC+USC	\$76,501	\$3,269	\$79,770	\$79,770
MLK-Harbor	\$28,009	\$2,641	\$30,650	\$30,650
Rancho	<u>\$15,565</u>	<u>\$1,435</u>	<u>\$17,000</u>	<u>\$17,000</u>
Subtotal:	\$120,075		\$127,420	\$127,420
40% Delegated Authority:			\$50,968	\$50,968
Total:			\$178,388	\$178,388

FACT SHEET

RE: APPROVAL OF AMENDMENTS WITH VARIOUS SERVICE PROVIDERS

All Districts

CONTACT PERSONS:

Miguel de los Reyes
Harbor-UCLA Medical Center & MLK-Harbor Hospital
Telephone: (323) 226-6472
email: mireyes@ladhs.org

Mark Wycislak
LAC+USC Medical Center
Telephone: (310) 222-1678
email: mwycislak@ladhs.org

Dexter Moon
Olive View-UCLA Medical Center
Telephone: (818) 364-3418
email: dmoon@ladhs.org

Rocio Calderon
Rancho Los Amigos National Rehabilitation Center
Telephone: (562) 401-7362
email: rccalderon@ladhs.org

SUBJECT:

Amendments with various providers for maintenance and repair services and specialized hospital services.

REQUESTED ACTIONS:

- Authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement H-700743 with Cardiovascular Plus, Inc. to provide autotransfusion/blood recovery services at MLK-Harbor and Olive View-UCLA, effective July 1, 2007 through June 30, 2010, with a total annual cost of \$20,000, and total three-year cost of \$60,000, and increase the total maximum obligation by no more than 40% above the Fiscal Year (FY) 2007-08 maximum obligation for additional blood recovery services for a potential annual increase of \$8,000, and total three-year increase of \$24,000.
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- Authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement H-700846, with National Radiologic Physics for radiology equipment evaluation and radiation detection services at Olive View, effective July 1, 2007 through June 30, 2009, with a total annual cost of \$13,605, and total two-